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| **Guidance on Payment of Adoption Allowance, Special Guardianship Order Allowance and Child Arrangement Order Allowance** |

**SCOPE OF THIS CHAPTER**

This guidance describes the arrangements for ongoing payments in respect of - Adoption Allowance, Special Guardianship Support & Child Arrangements Order Allowance that are **paid to the carers of children who were Looked After** but who have sought permanence for the child by obtaining Parental Responsibility through a legal order, including interim orders.

Any request for consideration of payment of Special Guardianship/ Child Arrangements Order Allowance in respect of children who have not been Looked After must first be agreed by the budget holding Strategic Manager, before there is any discussion with a family.

A distinction is made between ongoing financial support (financial support that is paid on a regular basis), which was agreed before the order was made, and other support services that can include "Exceptional Payments" (time limited or single payments).

Northamptonshire County Council (NCC) will remain responsible for the payment of ongoing payments irrespective of where the Adopter/Special Guardian/Child Arrangements Order holder lives for as long as the family qualifies for payments.

This guidance should be read in conjunction with:

* [Adoption Support Procedure](http://northamptonshirechildcare.proceduresonline.com/chapters/p_adop_support.html);
* [Applications for Special Guardianship Orders](http://northamptonshirechildcare.proceduresonline.com/chapters/p_app_spec_guard.html)
* [Finance Guidance Foster Carers Allowances, Fees and Other Financial Support](http://northamptonshirechildcare.proceduresonline.com/pdfs/foster_finance_guide.pdf)

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 **1.** **Circumstances when Ongoing Payment can be Paid**

Ongoing payments can be paid when:

**Adoption** - see [**Adoption Support Procedure, When to Assess the Need for Adoption Support**](http://northamptonshirechildcare.proceduresonline.com/chapters/p_adop_support.html).

**Special Guardianship** - See [**Special Guardianship Order Support other than Allowance Procedure**](http://northamptonshirechildcare.proceduresonline.com/chapters/p_app_spec_guard.html).

**Child Arrangements Order Allowance** - See [Finance Guidance Foster Carers Allowances, Fees and Other Financial Support](http://northamptonshirechildcare.proceduresonline.com/pdfs/foster_finance_guide.pdf)

 **2.** **Level of Payment**

The maximum level of payment of ongoing payments in respect of Special Guardianship Support/Adoption Allowances and Child Arrangements Order is linked to the level of National Minimum Fostering Allowance. The level of payment will be determined by a financial assessment (means test) and reviewed annually.

The level of payment will be determined by a financial assessment (means test) and reviewed annually. There is a requirement that Adopters, and an expectation that Special Guardians and Child Arrangements Order holders will claim universal benefits including Child Benefit and tax credits.

 **3.** **Assessment for Financial Support**

During the assessment process Adoptive Parents, Special Guardians and Child Arrangements Order holders will be required to complete the self assessment form and provide evidence of their income and outgoings.

**Overview**

The model of financial assessment is based on the [**Standardised Means Test Model For Adoption and Special Guardianship Financial Support**](http://webarchive.nationalarchives.gov.uk/20080305120229/everychildmatters.gov.uk/resources-and-practice/ig00027/), index linked to income as set by the Governments DFE standardised means test Model [For Adoption and Special Guardianship Financial Support](http://webarchive.nationalarchives.gov.uk/20080305120229/everychildmatters.gov.uk/resources-and-practice/ig00027/). The model uses details of income and outgoings to calculate the weekly level of allowance that may be paid.

The model takes into account:

**Income** - The Adoptive Parents, Special Guardians or Child Arrangements Order holders financial resources (including significant income from any investments, but not their home). These include any tax credit or benefit which would be available if the child lived with them. This is consistent with the fact that financial support for Adoption/Special Guardianship/Child Arrangements Order is disregarded for the purpose of calculating income related benefits and tax credits.

**Outgoings** - The amount required by the Adoptive Parents Special Guardians and Child Arrangements Order holders in respect of their reasonable outgoings and commitments e.g. housing and transport costs and daily living expenses (but excluding outgoings in respect of the child). An amount for general household expenditure not specifically included in the table below will be calculated using the current Income Support allowance rates increased by 20%.

**The child** - the financial needs that arise (e.g. because of special diet or need for replacement bedding) and resources (e.g. a trust fund) of the child.

* If an Adoptive Parent, Special Guardian or Child Arrangements Order holder is in receipt of Income Support or a means tested benefit they will be paid the maximum applicable payment. The figure paid to the family will include any deductions for Child Benefit;
* The financial assessment is worked out to calculate the weekly payment of Ongoing Allowance (if any) that will be paid.

**The Calculation of eligibility to weekly payments**

The calculation is undertaken by the Finance Officer.

The following details assessable income and outgoings that must be considered in the assessment:

**Assessable Income**

|  |  |
| --- | --- |
| **Type of Income- Pay (for parents and carers)** | **Evidence** |
| **Salary/Wages** Average net weekly income before deductions for savings schemes, social clubs.The income figure will exclude payments into pension funds. | * 2 wage slips if paid monthly;
* 6 wage slips if paid weekly.
 |
| **Self Employment** Where one or both applicants are self-employed the only income that can be considered is "drawings" as this is equivalent of pay from an employer. Any profit from the business that has not been reinvested should be considered as capital - see other sources of income. | * Tax return prepared for Inland Revenue.
 |
| **Overtime/Bonus** This can include overtime, fees, commission, gratuities | * Wage slips;
* Tax return prepared for Inland Revenue.
 |
| **Benefits & Pensions (for parents and carers)** | **Evidence** |
| The following benefits and pensions are assessable income:* Employer's sick pay;
* Incapacity Benefit;
* Statutory maternity, paternity and/or adoption pay and/or maternity allowance;
* Bereavement Benefit.
 | * Wage slip;
* Notification from DWP;
* Correspondence from DWP/employer;
* Notification from DWP.
 |
| State, Occupational and/or private pensions | * Statement from pension provider;
* Bank statement.
 |
| Working Tax Credit | * Award notice from DWP.
 |
| **Benefits (payable to the family and other children)** | **Evidence** |
| Child Tax Credit- where a childcare element is paid this is disregarded | * Award notice from DWP.
 |
| Child Benefit | * Correspondence from DWP;
* Bank statement.
 |
| Housing Benefit – disregarded | * Award notice from Local Authority.
 |
| Wages, Income Support or Jobseekers Allowance- where this is in respect of a family member young person under 18 years of age this should be disregarded on the basis that parents usually subsidise young people even if they have an income of their own(\*) | * Correspondence with DWP.
 |
| **Other Sources of Income** | **Evidence** |
| Capital - This includes savings, investments, financial plans that provide income. The assessment procedure provides a formula to calculate the weekly income derived from capital. | * Bank statements;
* Statements of holdings of shares;
* Savings accounts.
 |
| Income from Boarders & Lodgers- for formula used to calculate eligible incomeDisregard family members less than 18 years of age. See \* above | * Rent Book.
 |
| Income from unfurnished rented property. Deductions can be made for: * Interest payments on mortgage (not capital payments);
* Repairs;
* Council tax (if paid by family being assessed);
* Agents fees;
* Insurance (Buildings).
 | * Tax return prepared for Inland Revenue;
* Bank statements.
 |
| Income from furnished rented property. As above but an extra 10% deduction can be made from rent as "wear & tear" allowance. | * Tax return prepared for Inland Revenue;
* Bank statements.
 |
| Maintenance payments for child in household | * Correspondence;
* Bank account.
 |
| **Income Related to the Adopted or Special Guardianship Child** | **Evidence** |
| Regular interest or income to which the child has a legal interest and entitlement e.g. savings account, trust fund, property legacy | * Bank statements;
* Statements of holdings of shares;
* Savings accounts.
 |
| Payments from Criminal injuries Compensation Awards – exempt |   |

**Assessable Outgoings**

|  |  |
| --- | --- |
| **Home Expenditure** | **Evidence** |
| Mortgage payments- capital & interest. This may include endowment payments linked to the mortgage | * Correspondence/statements from mortgage provider;
* Correspondence/statements from endowment provider.
 |
| Rent - amount payable after deduction of Housing Benefit | * Rent book;
* Bank statement.
 |
| Council Tax - amount payable after deduction of Council Tax benefit | * Council Tax statement;
* Bank statement.
 |
| **Other Outgoings** | **Evidence** |
| Repayments of loans taken out as part of meeting the need incurred as a result of the adoption or Special Guardianship Order (e.g. buying a larger car/extension). Note - this will usually apply to loans taken out at the start of the placement. The decision to include any loan as an outgoing expense will be made by the Service Manager, Adoption. Proportionate costs for an average car or suitable extension to a property may be considered  | * Correspondence/Statement from Loan provider.
 |
| Maintenance Payments | * Court Orders;
* Correspondence with Child support Agency;
* Bank statements.
 |
| Court Orders | * Court Order
 |
| Private pension contributions and National Insurance if self-employed or not working | * Correspondence;
* Bank statements.
 |
| Childcare costs - (after any childcare element paid as part of Working Tax Credit) not exempt.  |   |

The guidance detailed above does not deal with all possible situations. For further guidance see - [**Standardised Means Test Model For Adoption and Special Guardianship Financial Support**](http://webarchive.nationalarchives.gov.uk/20080305120229/everychildmatters.gov.uk/resources-and-practice/ig00027/).

Where a situation arises where there is a need to make a judgement as to whether income or outgoings are deemed as assessable the matter will be referred to the Strategic Manager for Adoption.

**Other discretionary and one off payments** may be paid following clear identification of children’s needs and in line with the Special guardianship guidance (2005) (as amended by the Special Guardianship (Amendment) Regulations 2016) and the Adoption Support Services Regulations (2005). The need for such payments must be clearly identified within the Adoption/SGO assessment of need, associated support plan and/or the Local Authorities final care plan for the child.  Requests for such payment must be presented at Looked After Children and Permanency tracking panel for endorsement before being agreed by the budget holder.

 **4.** **Notice of Outcome of Assessment and Decision Regarding Ongoing Payments**

The prospective Adopter, Special Guardian or Child Arrangements Order Allowance holder will be notified in writing of the outcome of the financial assessment.

The written notification will detail:

* The basis upon which the financial assessment was made and it's outcome;
* Whether the agency proposes to make an ongoing payment and details of the arrangements for payment. Specifically:
	+ The amount of financial support;
	+ The frequency with which the payment will be made;
	+ The period for which the payment will be made;
	+ When the first payment of financial support is to be made.
* The arrangements and procedure for review, variation and termination of financial support.

 **5.** **Terms and Conditions**

Adopters, Special Guardians or Child Arrangements Order Allowance holders must agree to the local authority's proposal before ongoing financial payments can begin. These are that they agree to inform the local authority:

1. Of changes to their home address;
2. If the child (for any reason) no longer lives with them;
3. If there are any changes to their financial situation/the resources of the child.

Where agreement to the proposals and terms and conditions of the Ongoing Payments Scheme is given orally, Adopters, Special Guardians or Child Arrangements Order Allowance holders must confirm this in writing to the local authority within 7 days.

 **6.** **Commencement of Payment**

The Finance Section will commence payment on receipt of instruction from the Service.

Payments are made weekly in arrears by the BACS system. A remittance advice slip is sent shortly before the payment date.

 **7.** **Review of Ongoing Payments**

The local authority is required to review ongoing financial payments when:

* There is a change in the circumstances of the recipient;
* At least on an annual basis.

The review process is the same as the assessment and notification process. Recipients will be required to complete the Financial Assessment Documentation and supply copies of required documentation. In those cases where the recipient is giving notice of a change of circumstances that is not significant there is discretion for the Finance Section to accept documentary evidence without a self-assessment form being completed.

* **Change in circumstances** - A review will take place when the recipients circumstances change and recipients are expected to immediately inform the Finance section of any changes. The local authority may conduct a review if it considers that there has been a change in the recipient's circumstances;
* **Annually** - All those in receipt of an ongoing payment are required to undergo an annual review and complete a review financial assessment. The Local Authority will write each year to asking whether the child remains with them and whether the payment is still needed by the applicant.

Continuation of the allowance is dependent on a satisfactory response from the recipient that will include documentary evidence that the child continues to reside with them, for example, in the form of Child Benefit notification. In the case of young people aged over 16 who are in full-time education or training the recipient is required to provide documentary evidence in order for the allowance to be paid.

The Finance Officer will on completion of the assessment deal directly with the recipient. Where the recipient has a query this should in the first instance be raised with the Finance Section. If a query cannot be resolved the recipient should contact the Service Manager Adoption.

The Service Manager Adoption will be contacted by Finance Officer when the assessment process indicates that:

* There has been an overpayment of £250;
* The recipient has failed to notify the agency of any of the changes of circumstances specified in **Section 5, Terms and Conditions** above;
* The recipient has not responded to a request for information required as part of the review.

The Service Manager Adoption will determine what action should be taken.

 **8.** **Underpayments, Overpayment and Recovery of an Ongoing Payment**

In the normal course of events it is likely that underpayments and overpayment will sometimes occur as a result of the time delay between a change in the circumstances of an Adoptive parent /Special Guardian/ Child Arrangements Order holder and a review being completed. Where these amount to less than £250 the Finance Section has the discretion to make a reimbursement or to negotiate a repayment arrangement (usually by way of a deduction from the weekly payment).

The Service Manager Adoption should be contacted if the underpayment or overpayment exceeds £250. Negotiations will take place with the Adoptive Parent, Special Guardian or Child Arrangements Order holder to agree a means that allows for the recovery of the overpayment that does not cause hardship to the family. Where it is not possible to reach such an agreement the Service Manager Adoption will decide whether formal debt recovery procedures should be initiated.

 **9.** **Suspension of an Ongoing Payment**

Payments may be suspended when:

* The recipient has failed to notify the agency of any of the changes of circumstances specified in **Section 5, Terms and Conditions** above.

The Service Manager Adoption will determine what action should be taken. There may be circumstances where it appears that fraud has taken place and consultations should take place with a Strategic Manager as to whether the Police should be involved.

* The recipient has not responded to a request for information required as part of the annual review.

Any correspondence from the Finance Section requesting information for a review will include a notice that the payment will be suspended 28 days from the date of posting unless the recipient makes contact. The Service Manager Adoption will be informed of the suspension.

The recipient will be informed in writing when the ongoing payment is suspended. They may make representations to the Service Manager Adoption. The recipients have 15 days from the date of the letter informing them of the suspension to make representations. The response to their representations will be the final decision.

Where a decision is made to reinstate an ongoing payment the recipient will be notified in writing by to the Service Manager Adoption. ”Back payments" to cover the period of suspension will not be made unless it can be shown that the local authority acted in error in making the suspension.

 **10.** **Ending of an Ongoing Payment**

Ongoing payments will cease to be made when:

* The child ceases to live with their Adoptive Parent, Special Guardian or Child Arrangements Order holder and this is regarded as a permanent departure. Temporary absences do not apply, e.g. boarding school, hospital, and respite care;
* The child ceases full-time education or training and commences employment;
* The child qualifies for Income Support or Jobseeker's Allowance in their own right;
* Where the Child Arrangements Order ceases;
* The child attains the age of 18 unless they continue in secondary level full-time education or training, when it may continue until the end of the course or training they are then undertaking
**or**
in the case of a Child Arrangements Order the allowance will cease on their 16th birthday. It may continue provided the child is in full time education or training and will end on their 18th birthday;
* The child dies.

 **11.** **Foster Carers**

These arrangements have been designed specifically to support foster carers who have been approved by Northamptonshire County Council (NCC). There may be situations where a foster carer approved by another fostering agency acquires [**Parental Responsibility**](http://trixresources.proceduresonline.com/nat_key/keywords/parental_respons.html) for a child who was Looked After by NCC. The Strategic Manager will exercise discretion as to how these arrangements may be applied in this circumstance.

**11.1** **Moving from the Northamptonshire County Council Fostering Fees and Allowance Scheme to a Special Guardianship Order (SGO) payment**

Foster carers receive a weekly allowance for a child, and may also receive a fee payment. They cease to receive payments under this scheme if they become Special Guardians for a child they have been caring for. Instead they become eligible for ongoing payments.

**11.2** **Transitional Arrangements - SGO**

Approved foster carers who become Special Guardians may experience a reduction in income if they had been receiving a fee payment and there is no other child fostered.

For these foster carers there are Transitional Arrangements that allow for a gradual reduction in income over a two year period. The table below details how the Fostering Fee (if applicable) is reduced over the transition period:

|  |  |  |
| --- | --- | --- |
| **Stage**  | **Time from making of SGO** | **% of any fee if applicable** |
| 1 | 0- 12 months | 100% |
| 2 | 12 - 24 months | 50% |
| 3 | 24 months onwards | No payment |

**11.3** **Assessment for Transitional Stage and Ongoing Payments - SGO**

Foster carers who are contemplating acquiring Parental Responsibility for a child they are caring for need to know what the financial implications are. A projected assessment of income at all points within the Transitional Stage and of income when receive an ongoing payment can be provided on request.

The Assessment for Transitional Stage and Ongoing Payments Scheme, after the first two years (24 months), follows the same process as **Section 3, Assessment for Financial Support**.

The Transitional Arrangement starts from the point that the legal order is made.

**11.4 Moving from the Northamptonshire Fostering Fees and Allowance Scheme to Adoption or Child Arrangements Order (CAO) payments**

Foster carers receive a weekly allowance for a child, and may also receive a skills level payment. They cease to receive payments under this scheme if they become Adopters or Child Arrangements Order holders for a child they have been caring for. Instead they become eligible for consideration of ongoing payments:

* Adoption Order Allowances - Where a foster carer adopts a child who is eligible for an ongoing payment;
* Child Arrangements Order Allowance - Where a foster carer acquires a Child Arrangements Order for a child who was looked after.

Approved foster carers who become Adopters or Child Arrangements Order holders are likely to experience a reduction in income because:

* Any fostering fee ceases to be paid;
* The level of weekly allowances paid is lower than that paid under Northamptonshire County Council’s Fostering Allowance scheme.

**11.5 Transitional Arrangements – Adoption or CAO**

In order to reduce the impact of moving from the Northamptonshire County Council Fees and Allowances scheme to the reduced level of an ongoing payment, there are Transitional Arrangements that allow for a gradual reduction in income over a two year period. The table below details how the Fostering Allowance (and fee if applicable) is reduced over the transition period:

|  |  |  |
| --- | --- | --- |
| **Stage** | **Time from making of CAO or placement becoming an Adoptive Placement** | **% of difference between original allowance (& any fee if applicable) and assessed RO/adoption payment** |
| 1 | 0-12 months | 100% |
| 2 | 12-24 months | 50% |
| 3 | 24 months onwards | 0 |

**11.6 Assessment for Transitional Stage and Ongoing Payments – Adoption or CAO**

Foster carers who are contemplating acquiring Parental Responsibility for a child they are caring for need to know what the financial implications are. A projected assessment of income at all points within the Transitional Stage and of income when receive an ongoing payment can be provided on request. The calculation of projected payments will be entered into a "Projection Matrix". This can be used as the basis for both proposal letters and review records- see below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date of start/assessment/review** |  | **Proposal Assessment** | **End of Stage 1 Review** | **End of Stage 3 Review** |
| Current Carers Allowance |   |   |   |   |
| Transition Stage | % of original allowance (minus Child Benefit) & any fee if applicable |   |   |   |
| 1. 1st 12 months | 100% |   |   |   |
| 2. 12-24 months | 50% |   |   |   |
| 3. Rate of any agreed discretionary ongoing payment from 24 months |   |   |   |   |

The Assessment for Transitional Stage and Ongoing Payments Scheme, after the first two years (24 months), follows the same process as **Section 3, Assessment for Financial Support**.

The Finance Officer return the completed Projection Matrix to the Service Manger Adoption for agreement. In some circumstances, where an adoption could not proceed if the weekly payment for the child was reduced, the agreement of the Strategic Manager for Fostering and Adoption can be sought to continue the weekly allowance at the equivalent fostering rate. However any skills level payment must be concluded at the end of the two year transitional arrangement.

The Transitional Arrangement starts when:

**Adoption** - 28 days following the approval by the Agency Decision Maker of the match between the child and the carers –

**Special Guardianship and Child Arrangements Order** - from the point that the legal order is made

**Financial Reviews during the Transitional Stage**

Financial reviews are initiated by the Finance Officer. The first financial review will be undertaken prior to the end of stage 1 (12 months). The second financial review will take place prior to the end of stage 2 (24 months). This is used to produce revised projections of the amount of allowance paid under as ongoing payment at the end of the Transitional Stage.

The Review of Financial Assessments is undertaken on an annual basis.

**11.7** **Tax Credits**

During the Transitional Stage these are disregarded for the first 12 months. During the second year the amount of Tax Credit will be deducted from payment.

Applicants are required to provide evidence of the level of Child Tax Credit paid to the financial reviews. This must include evidence of both payment and nil assessment. Failure to provide such documentation is likely to lead to a suspension of payment.

**11.8** **Annual Inflation Increase**

Additional payments made during the Transitional Stage will not be increased for inflation.

**11.9 Arrangements for Payment to Concurrent and Foster For Adopt Carers**

The statutory guidance for [Early Permanence Placements and Approval of Prospective Adopters as Foster Carers July 2014](http://dera.ioe.ac.uk/20575/1/Stat_guidance_FFA__8_July_2014.pdf) confirmed financial arrangements for Foster for Adopt and Concurrent carers.

From the date that the child is placed with the carers they are entitled to the fostering allowances that the fostering provider would normally pay. When the local authority receive a Placement Order or parental consent and the ADM has approved the match the placement will become an adoptive placement. At this point, the carers will become eligible for adoption pay, adoption leave, and the fostering allowances cease.

In circumstances where children are being placed with siblings for adoption under Concurrent/FFA arrangements an assessment of need and financial assessment for an adoption allowance should be considered. This is because the adoptive parents have often not had the same opportunities to plan and make the necessary financial arrangements to support another adoptive placement particularly during that first year. It is anticipated that by the second year the necessary adjustments have been made and no further allowance would be paid unless the child’s needs change.